FACT SHEET:
Irresponsible Bush Budget Hurts Hispanic Families

Even as middle class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

No action on job creation, with 1.4 million Hispanic workers still looking for a job. The Bush budget squanders an additional $1 trillion over the next 10 years on additional tax cuts for the wealthy, but President Bush's budget does nothing to create good-paying jobs here at home. The unemployment rate for Hispanics jumped from 6.6 percent to 7.3 percent in one month, with 1.4 million Hispanics looking for work. This rate is 25 percent higher than when President Bush took office.

Slashes funding for the Small Business Administration. The Bush budget cuts funding for the Small Business Administration, which helps minority owned small businesses grow, by $79 million. There are over 1 million Hispanic owned small businesses.

Eliminates microloan program. The Bush budget provides no resources for the Microloan program, even though this program is critical to aiding minority communities. Last year this vital program provided $26.5 million in loans, and over time has loaned more than $112 million to start up newly established and growing small businesses.

Breaks the promise of a better education. More than 40 percent of Hispanics over the age of 25 did not have a high school education in 2000. Over 27 percent of Hispanic students drop out of high school, yet the President's budget eliminates funding for dropout prevention programs. In addition, the President's budget <u>fails to provide $9.4 billion in promised funding for education</u> – meaning that 2.4 million children will not get the help with reading and math they were promised.

Freezes bilingual education. The Bush budget essentially freezes funding for bilingual education for the third year in a row, even though the number of students with limited English proficiency is growing rapidly.

Eliminates Even Start. The President's budget eliminates the Even Start program, which integrates early childhood education, adult literacy, and parenting education into a unified family literacy program. Currently, 50,000 families are served through the Even Start program – 23,000 of them Hispanic.

Undermines after-school programs. The Bush budget provides only half of the funding promised to these programs, meaning that <u>1.3 million children who were promised after-school services will not get them</u>.

Guts Head Start. There are 271,000 Hispanic children being served through Head Start, including thousands of children of migrant workers, but the President's budget eliminates the comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the program receives a funding increase of less than 3 percent, even though Head Start currently only serves 60 percent of eligible preschoolers.

Closes the door on a college education. Only 11 percent of Hispanic American adults have their bachelor's degree. Despite nationwide increases in the cost of college, the Bush Administration has frozen funding for Pell Grants and cut funding for Perkins loans by nearly $100 million.

Leaves veterans behind. There are over 1.1 million Hispanic veterans. The President's budget raises health care costs for over 500,000 veterans, imposing new co-payments and enrollment fees that will cost veterans over $2 billion over five years. In fact, over five years, the budget for veterans health care programs is $13.5 billion below the amount needed to maintain services at current levels.

Fails to make healthcare affordable for middle class families.   There are over 12 million Hispanic Americans without health insurance and millions more who can barely afford to pay their premiums, yet the Bush budget does nothing to hold down costs. It includes $70 billion for a $1,000 tax credit for individual coverage that covers only 5 percent of the 44 million uninsured, and Health Savings Accounts that help only the healthy and wealthy.

Undermines Medicaid. The Bush budget would transform a large portion of Medicaid from an entitlement to a block grant, shifting the cost of the program onto hard-pressed states. The Bush plan would encourage states to limit their liability by cutting people from the rolls, cutting benefits, and increasing cost sharing for some of our most vulnerable citizens. Over 7 million Hispanics receive health care through Medicaid.

Cuts Office of Minority Health. The President's budget cuts funding for the Office of Minority Health by 15 percent from this year's enacted level. This office supports disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns that cause the high rate of disease in racial and ethnic minority communities.

More for special interests, not seniors.   Barely one-third of Hispanic seniors with chronic conditions have coverage for prescription drugs.   Although the Bush budget now includes $46 billion in special payments to HMOs – $30 billion more than originally estimated – it does nothing to help seniors lower their prescription drug costs. Despite this, Republicans are refusing to hold down drug costs, refusing to let the government negotiate discounts for seniors, and refusing to allow Americans to import less expensive drugs from Canada.

Democrats have different priorities. We want to help all Americans achieve financial security, invest in programs that create good paying jobs, improve education, lower health care costs, make college more affordable, help small businesses grow, support our veterans and military retirees, and do more to protect our ports and borders from terrorism.